“Awfis Space Solutions Limited Q2 & H1 FY '27 Earnings Conference Call”

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“E&OE -This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 4th November 2026 will prevail.”

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MR. SUMIT ROCHLANI – CHIEF FINANCIAL OFFICER

MODERATOR: **MR. RAHUL KUNDNANI – NIRMAL BANG INSTITUTIONAL EQUITIES**

Moderator: Ladies and gentlemen, good day and welcome to Q2 & H1 FY '27 Earnings Conference Call of Awfis Space Solutions Limited.

This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note, this conference is being recorded.

I now hand the conference over to Mr. Rahul Kundnani from Nirmal Bang Institutional Equities. Thank you, and over to you, sir.

Rahul Kundnani: Thank you, Nazmi. Good morning, everyone. On behalf of Nirmal Bang Institutional Equities, I would like to welcome you all to Q2 FY '27 Earnings Call of Awfis Space Solutions Limited.

The management is represented by Mr. Amit Ramani, Chairman and MD, Mr. Sumit Lakhani, CEO, Mr. Sumit Rochlani, the CFO.

I will now hand over to the management for their opening remarks, after which we will open the floor for Q&A. Over to you, sir.

Amit Ramani: Thank you, Rahul. Thank you and good morning, everyone. A very warm welcome to all of you on our Q2 & H1 FY '27 Earnings Call.

I am joined by Mr. Sumit Lakhani – our CEO, Mr. Sumit Rochlani – our CFO, and SGA, our Investor Relations Advisor. Our results presentation is on the exchanges and on our website, and I hope you have had a chance to go through it.

Let me give you a little color on the industry landscape:

India's Grade A office stock across the top 7 cities now stands at 887 million square feet, and demand is keeping pace with the scale. Gross leasing in the first nine months of 2026 reached 54.4 million square feet, up 7% year-on-year with 18.7 million square feet absorbed in September quarter itself.

What is striking is that this came in a quarter where new supply jumped 79% sequentially to 19.2 million square feet, and vacancy still fell by 42 basis points to 15.9%. When record supply and falling vacancy arrive together, it means occupiers are absorbing quality space as fast as it is delivered.

Average quoted rents rose 6.9% year-on-year to about Rs. 115 per square foot per month. Improving the demand for Grade A+ office space is supporting rental growth in key micro-markets. This reinforces the advantage of operators with established developer partnerships and a well-positioned supply pipeline, while making disciplined sourcing increasingly important for our new capacity.

Flex is now a mainstream route to that space. Flexible workspace operators leased 12.6 million square feet in nine months, close to a quarter of all leasing in the market. And on the conventional side, technology occupiers took 38% of the space and BFSI took 20%. Both of these sectors are core to our client base, so the mix of who is leasing is moving towards us and not away from us.

Flex is no longer a startup enabler. It is a core real estate strategy for large enterprises, and the operators who can offer a Grade A+ address, enterprise-grade fit-out, and a national network are the ones taking that share.

GCCs are the anchor of this demand. India now hosts 2,100+ GCCs operating 3,700+ units and employing 2.36 million people, and generating about $98 billion in revenue. And in August, we published The Great Workplace Reset with Zinnov on how these centers are redefining work, workforce, and the workspace. GCC leased about 8.7 million square feet in the September quarter, 41% of the market, and about 28 million square feet in nine months, which is 42% of the overall space taken.

Three things in GCC data matter for us:

- First, concentration. Hyderabad took 37% of GCC leasing in the quarter and Bangalore 28%, with Chennai and NCR at 11% each. And these are cities where our network is deepest.
- Second, quality. 58% of leasing in the nine months was Grade A+ asset, which is exactly where our Gold and Elite portfolio sit.
- Third, intent. Our report with Zinnov finds that GCC is now take 40% to 45% of enterprise flex uptake, up from 37% to 39% in 2022. And two-thirds of GCCs plan to hold more than a tenth of their portfolio in flex. The work these centers do has changed more than their numbers. As a GCC moves from cost center to product and AI hub, the workspace becomes an operating decision taken for speed, talent, scalability, rather than a real estate decision taken on rent per square feet.

The message from the market is simple: enterprises and GCCs want high-quality, flexible, ready-to-use space in the best micro-markets of Hyderabad, Bangalore, Chennai, and NCR. And they want one partner who can deliver it at speed across these cities. That is the platform we have built, and the rest of the call is about how it performed in the quarter.

Turning to our performance:

We are pleased to report another quarter of consistent growth driven by continued demand from large enterprises and GCCs, along with focus on premium centers and operational efficiency. Normalized revenue for Q2 FY '27 grew by 26% year-on-year to INR 451 crores, and cash EBITDA grew 45% to INR 49 crores. The cash EBITDA margin stood at 10.8%, an improvement of 140 basis points year-on-year and 70 basis points over the previous quarter.

For the first half of the year, normalized revenue was at INR 888 crores, up 30% year-on-year, and cash EBITDA was INR 93 crores, up 40%, at a margin of 10.5%. Cash EBITDA reflects the operating profitability of our workspace model. The reported EBITDA primarily includes accounting effects under IndAS 116, which are detailed in the presentation.

On a reported basis, revenue was INR 439 crores for the quarter and INR 864 crores for the first half, up 20% and 23% respectively. Reported EBITDA was INR 174 crores and INR 336 crores, up 31%, 30%, with margins of 39.6% and 38.9%.

Profit before tax nearly doubled to INR 31 crores for the quarter and INR 56 crores for the first half of the year. The growth continues to be self-funded. Normalized operating cash flow for the first half was INR 100 crores or 1.08x cash EBITDA, and we remain net cash positive with net debt-to-equity at -0.12x compared with -0.08x at the end of June.

Our Co-working business grew at 31% year-on-year to INR 376 crores in the second quarter and 34% to INR 740 crores in the first half, driven by sustained demand from large corporates, MNCs, and multi-centre clients, together with the continued premiumization of our portfolio. I will come back to the drivers under our growth engines.

Transform, our design and build business, contributed INR 75 crores in the second quarter and INR 149 crores in the first half, growing by 8% and 16% year-on-year respectively. Quarterly Transform revenue moves with project delivery milestones, so we assess the business on a half-yearly and order book basis. Third-party clients now account for 93% of all Transform revenue, and the order book and advance pipeline stands at INR 220 crores, which gives us a good visibility for the second half of the year.

Mandates won during the first half include a global technology center in Gurgaon, a renewable energy group in Delhi, a diversified pharmaceutical group in Noida, and a global customer experience major in Gurgaon, each between 40,000 to 100,000 square feet.

On the network, we added 6 centers and approximately 7,000 gross seats during the quarter, taking the total supply, which is our operational plus under fit-out, to 254 centers and approximately 1,74,000 seats. And occupancy rose on both measures to 84.1% at mature centers and 76.2% across the portfolio. Sumit will take you through the further details.

Our GCC portfolio continues to scale, contributing to approximately 24% of our rental revenue. Our integrated offering across coworking, managed office, design and build, and allied services allows us to be a GCC single partner from its first 25 seats in India to its multi-city managed office mandate.

Our 5 growth engines, let me give you a brief progress update on each of them. Our 5 growth engines which we set out at the start of the year:

1. **First, GCC demand –** Our GCC client base continues to grow, and the life cycle we described in August is now visible in individual accounts. A US-headquartered global e-commerce major entered India through 100 seats incubating in our Elite by Awfis in Bangalore, which we opened in 35 days, and hence since scaled to 2,000 FTEs captive operations with Awfis as its single partner.

   In Chennai, a Fortune 500 group has signed a GCC mandate of more than 1,000 FTEs, with the first place going live in Q4 of FY '27. Entry mandates for the sites taken by the first-time entrants are clearest signs that GCC now see Flex as a way into India rather than a stopgap.

2. **Second, premiumization at scale –** The Gold and Elite portfolio has grown from 26 centers a year ago to 39 today. 29 Gold and 10 Elite centers and premium seats are up 58% year-on-year, over 33,000. During the first half, we strengthened our presence in Pune, Bangalore, Mumbai, Delhi, and NCR with new Grade A+ centers built to our latest 6.0 design, which raises space utilization and supports higher realization per seat.

   The economics are following the footprint. These centers are signing incremental seats at around 35% higher pricing than our flagship product. And they are front door to larger enterprise mandates. As this cohort matures, it contributes to realization and margins will keep building.

3. **Third, multi-format supply** – Our three pillars each do a different job. Managed aggregation remains the core, now with stricter filter on asset quality and realization, and increasingly through developer partnerships where landlord funds the Capex and we run the center. Straight lease is reserved for handful of ultra-premium anchor assets in core micro-markets where flagship addresses justifies the balance sheet commitment. And partial managed office where an enterprise anchor commits to half or more of the seats before we sign in is changing how we open new centers, anchor economics from day one and higher starting occupancy than in the past.
4. **Fourth, organic growth** – We sold approximately 25,000 seats in the first half of the year, and growing share of that came from expansions within existing client base. Another metric we have focused on this year is lock-in tenure, which is up 4 months year-on-year to 27 months across the portfolio, 3 months to 33 months for clients with more than 100 seats.

Further, our in-house AI-enabled renewals tool now flags expires and expansions signals well ahead of time, so renewals are managed productively, proactively rather than at the end of the contract. Longer lock-ins and earlier renewals together give us a longer contracted revenue base going into every quarter.

5. **Fifth, value beyond Flex** – I covered Transform numbers earlier, so two observations only. The mandates we are winning are larger and more strategic. Four of the five wins in the first half were between 70,000 to 100,000 square feet and increasingly for multi-city and national fit-outs rather than single sites. And the loop runs in both directions. Flex relationships convert into Transform mandates and Transform clients come back to us for Flex and Managed Office. Allied services across IT, F&B, transport, business support are growing alongside the enterprise mix and the deepening our share of each client's workspace spend.

Taken together, these 5 engines are not separate initiatives but one operating model. Premium supply attracts enterprise and GCC demand. That demand deepens to managed office and the workplace solutions, and every such relationship makes the next partnership and the next center easier to sign.

I will talk briefly about financial discipline:

All of this growth continues to be funded with discipline. Since our listing in Q1 FY '25, we have added close to 64,000 net operational seats from 100,000 to 1,64,000 while deploying over INR 460 crores of CAPEX in new centers. Every rupee of that has come from internal accruals. The INR 128 crore we raised at IPO remains the only equity we have taken since listing. Over the same period, quarterly revenue has grown from INR 258 crore to INR 451 crore on normalized basis, a CAGR of 28.1%, and we have stayed net cash throughout.

Outlook for FY '27:

Looking to the second half, we reiterate the full-year guidance we gave in August. We are on track to do, add about 22,000 to 25,000 gross seats in FY '27, and we expect the co-Working revenue to grow 23% to 25% and Transform by around 20%, taking total revenue past INR 1,800 crores.

On profitability, we expect full-year cash EBITDA of INR 190 crores to INR 200 crores, with the second half stronger than the first as occupancy at recently launched centers continues to build and the premium cohort matures.

With that, I will now hand over to Sumit Lakhani to take you through the operational highlights. Over to you, Sumit.

Sumit Lakhani: Thank you, Amit, and good morning, everyone.

Let me walk you through the operational highlights for Q2 and H1 FY '27:

As of 30th September 2026, Awfis operated 244 centers across 18 cities with another 10 centers under fit-out, taking total supply to 254 centers. Including signed LOIs, signed supply stands at 270 centers.

On seats, operational capacity rose to over 164,000 from approximately 159,000 at the end of June. Including centers under fit-out, total supply stands at approximately 174,000 seats across 8.7 million square feet. And including signed LOIs, signed supply is approximately 188,000 seats across 9.4 million square feet.

During the quarter, we added approximately 7,000 gross seats and launched six new centers while exiting around 2,200 seats across 4 centers as part of ongoing portfolio optimization. For the first half, we added approximately 12,000 gross seats and 13 new centers, every one of them in a Grade A or A+ asset in a high-demand micro-market.

Our Gold and Elite footprint grew to 39 centers from 37 at the end of June, with 10 Elite and 29 Gold centers. Managed aggregation remains a strong component of the network at 57% of the centers. Occupancy at centers operational for more than 12 months rose to 84.1% from 83% in the first quarter. And blended portfolio occupancy improved to 76.2% from 76%. That both measures moved up in a quarter of net seat addition tells you our new centers are filling fast.

Our active client base grew to over 3,700 clients. Across the portfolio, weighted average client tenure is 38 months and lock-in tenure 27 months, up from 26 months at the end of June. For clients with more than 100 seats, tenure is 49 months and lock-in 33 months, the latter is up 3 months year-on-year. 77% of our seats have tenure of 24 months or more, and further 18% between 12 and 23 months. So 95% of the base is committed for at least a year. Longer lock-ins are a deliberate priority because they translate directly into contracted revenue and steadier occupancy through cycles.

Enterprises and MNCs make up 64% of our client base, SMEs 25%, and startups 10%. By industry, technology accounts for 39% of our client mix, professional services 20%, manufacturing 13%, BFSI 12%, and healthcare and life sciences 7% with the balance across other sectors. No sector other than technology accounts for more than a fifth of the space, and resilient sectors make up over 40% of it.

By domicile, 51% of our clients are India-headquartered, which drives faster conversions and shorter ramp cycles, while 44% are headquartered in North America or Europe, 30% and 14% respectively, bringing structured mandates and longer tenures. By size, clients with 500 or more seats account for 37% of our seats, and clients with up to 100 seats a further 35%, which gives us a steady funnel of clients who grow into managed office mandates.

On GCCs, we serve more than 105 unique GCC clients across 9 cities, contributing approximately 24% of rental revenue. Beyond the mandates which Amit described, we invested

in the GCC ecosystem through the first half. We sponsored the GCC conference in Bangalore, hosted a GCC leaders luncheon in Pune, co-authored the industry report with Zinnov, and launched a GCC podcast series with industry practitioners. These are how first-time entrants find us, and they feed the pipeline of nano and micro mandates that later scale. Overall, the network is growing where enterprise demand is deepest, occupancy is rising on both measures, and the client base is becoming longer tenured and more committed.

With that, I will hand over to Sumit Rochlani for the financial update.

Sumit Rochlani: Thank you, Sumit, and good morning, everyone.

Let me take you through the financial performance for Q2 and H1 FY '27:

As introduced last quarter, alongside our reported IndAS financials, we now report cash EBITDA to give investors a clearer view of underlying operating performance. The metrics and its reconciliation are on Slide 20 to 22 of the presentation and consistent with last quarter have been validated by MSKA and Associates LLP under an agreed-upon procedure engagement.

For Q2, reported revenue from operations under IndAS was INR 439 crores, up 20% year-on-year. Coworking and Allied Services grew 22% to INR 364 crores, and Transform revenue grew 8% to INR 75 crores. Reported EBITDA was INR 174 crores, up 31% year-on-year. And profit before tax was INR 31 crores, up 91% year-on-year.

Under IndAS 116, certain long-term lease arrangements are accounted for as finance leases, which affects the timing of the revenue recognition. Adjusting for this, normalized revenue was INR 451 crores, up 26% year-on-year. After adjusting for finance lease accounting, deducting actual cash lease rentals paid during the quarter, and excluding certain non-cash cost items, cash EBITDA was INR 49 crores, up 45% year-on-year, with cash EBITDA margins of 10.8%. The operating PBT was INR 13 crores.

For first half of the year, reported revenue from operations under IndAS was INR 864 crores, up 23% year-on-year. Coworking and Allied Services grew 25% to INR 715 crores. Transform grew 16% to INR 149 crores. Reported EBITDA was INR 336 crores, up 30% year-on-year, and profit before tax was INR 56 crores, up 108% year-on-year.

Under IndAS 116, as explained earlier, certain long-term lease arrangements are accounted for as finance leases, which affect the timing of the revenue recognition. Adjusting for this, normalized revenue for first half of the year was INR 888 crores, up 30% Year-on-year. After adjusting for finance lease accounting, deducting actual cash lease rentals paid during the quarter or during the first half of the year, and excluding non-cash cost, cash EBITDA was INR 93 crores, up 40% year-on-year, and cash EBITDA margin of 10.5%. The operating PBT for first half of the year was INR 25 crores.

Talking about balance sheet and returns, our balance sheet remains strong. We continue to be net cash positive. With net debt-to-equity of -0.12x and with a net debt negative of INR 73 crores. Our fixed asset turnover ratio was at 1.5x. For first half of the year, the total spend on Capex was INR 113 crores. Our incremental cost of borrowing stays at 8.5%. And our credit rating stays at A+ with a stable outlook.

Overall, the quarter reflects healthy top-line growth, a stable balance sheet, and margin growth, we expect to build through the second half.

With that, we conclude our opening remarks and open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Adhidev from ICICI Securities. Please go ahead.

Adhidev: The first question is on the seat additions. Now where do we see us as ending the year in terms of the operational seats? And going into next year, what is the expansion plan and what is the pipeline looking like? That is the first question.

And second question, so now the margins seem to improve, we are almost up to 11%. So as we have more and more premium properties in the mix going ahead, especially on straight lease, so for '28, any guidance you would like to share directionally on how the margins are going to be trending forward? Yes, those are my two questions.

Sumit Lakhani: So for the whole of the year, we are expecting to add about 22,000 to 25,000 gross seats, and the total seat closures we are expecting at around 5,500. So, out of which almost 4,000 has already been closed in H1. So, where we expect the operational seat portfolio would be around 174,000+ at the end of March.

With respect to the premium portfolio, as we have mentioned over here, over the last one-odd year, almost about 12,180 seats have been added. And across the premium portfolio, what we are seeing is almost about 35% higher pricing versus the overall flagship product. So, we are a bit more focused around on more premium seat addition rather than the volume of seats.

In terms of next financial year, while it is a bit early to give guidance in terms of the seat addition. But at least if the macro stays the same, we expect the gross addition will be at least 20% to 25% higher than what we did around in FY '27. And it will still be more tilted towards the premium portfolio in FY '27, in FY '28 as well.

With respect to margins, I think we are moving towards 11% plus kind of margins, or closer to 11% margin like in Q2. We expect the margins to sequentially rise over H2, with our estimates that in Q4 it should be at least around 11.5%. And the exit March month cash EBITDA margins should be touching around 12%-odd. This will be backed on terms of higher or better occupancy as well.

Adhidev: So just to understand this correctly, as we get into '28, 12% is the floor for our business in terms of the margins you expect going forward?

Sumit Lakhani: Yes. So, we would expect 12% to be the floor as we begin into FY '28.

Adhidev: And just one last accounting clarification. So, this is for Mr. Rochlani. The lease rental payment of equipment, right, which we have separately classified in cash flow in the IndAS accounting, this comes above the IndAS EBITDA or it is part of depreciation interest schedules? Just wanted some understanding on that.

Sumit Rochlani: So in our case, it is more nuanced. The profit share that we pay to our landlords, it is part of the EBITDA or it is within the EBITDA, and the rest of the portfolio which is other than the profit share is from India's financial perspective, it is considered in the depreciation and interest.

Adhidev: This is also for the lease rentals on the equipment portion. That was the specific question, though, what we have mentioned, the equipment.

Sumit Rochlani: Yes, that is also accounted on the similar lines when it comes to 116 accounting. So the lease rental gets taken into.

Adhidev: It will be part of the depreciation and interest schedules. Fine. That's it from my end. I will come back in the queue. There are more questions.

Moderator: Next question is from the line of Rahul Kundnani from Nirmal Bang. Please go ahead.

Rahul Kundnani: Sir, I just had a couple of questions. One was on Transform. Its third-party revenue share is now at 93%. How do you see this business going ahead and how much would Transform be at as an overall part of the business and in terms of margin as well? And second would be on GCCs, how big would GCC get for us in a stable state sort of thing?

Amit Ramani: Thanks, Rahul, for the question. So, Transform obviously has gone through a defining shift. It started as largely a captive fit-out arm serving our own centers. Today, 93% of its revenue is coming from third party. This is a strong endorsement of our design and build capability. Clients who come to us purely for design and build are choosing Awfis Transform for its design quality, speed of execution, and delivery track record.

We are also winning progressively larger mandates, with each of the new projects typically bigger in scope and value than the last one. Clients are obviously trusting us with larger and more complex fit-outs, and that is a clear sign of how sought-after the offering has become.

Transform is also a powerful cross-selling engine, and it works in both directions for us. Several of our clients start with us in Flex and having experienced our spaces went on to give us their own design and build mandates.

Equally, clients who first came for us for transform fit-out have gone on to take Flex space across our network. Every Flex operator needs a strong design and build engine behind it. For us too, it is also a front door to clients who could not reach through seat sale alone. And it deepens our share of each client in real estate and spend across our both businesses.

The numbers obviously reflect the momentum. We delivered about INR 149 crores of transformed revenue in H1 of FY '27. This includes INR 75 crores in Q2. We have over INR 220 crores of revenue across design, signed pipeline, and deals, which gives us a strong visibility for H2 and keeps us firmly on track to our guidance of FY '27 of about INR 300+ crores.

Now coming to the GCC part of it, obviously, GCC has a structural demand driver for us, right? India now hosts about 2,100+ GCCs across 3,700+ units. This employs about 2.36 million people and generates about $98 billion of revenue. GCCs took about 28 million square feet in the first nine months of 2026, which is about 42% of all office leasing. They took 41% in September quarter alone.

So, demand is extremely strong. Quality-led GCCs are obviously 58% of our leasing is happening in Grade A+ assets, which is where obviously our Gold and Elite portfolio fits in. The demand is concentrated in cities where our network is deepest, right? Hyderabad took 37%, Bangalore took 28%, Chennai and NCR were 11% each. So, we serve about 105 unique GCC clients across nine cities. These clients range from somebody taking, starting off at 50 seats to ending up at 2,000 seats, as in case of one of our large e-commerce client companies.

So, GCC is a core focus for us, and it's demonstratedly grown for us in the last couple of years. And today, we are serving not only the first-time GCCs, the mid-tier GCCs, but also large GCCs looking for expansion of 1,000+ seats in our network. Recently, I think Sumit mentioned the 1,000+ GCC that we recently won in Chennai. And I think that the pipeline for GCCs in our network continues to be extremely strong.

And that is a business where we have built strong partnerships with our alliance partners who are basically driving some of these GCCs from North America, Europe, and even some cases, from Asia. So, this will continue to be a strong driver for us, and we feel confident for the H2 for FY '27 as well, that the growth of this GCC network will continue to build up for us.

Rahul Kundnani: Sir, just one more question. How much is the premium portfolio of our total portfolio size? As in, what percentage would be the premium portfolio and where do you see it going ahead? As in, in a stable state, how much would be the premium portfolio of total portfolio?

Amit Ramani: Yes, so Rahul, obviously premiumization is now a default the way we are growing. Our Gold and Elite portfolio has grown from 26 centers a year ago to 39 today, 29 Gold and 10 Elite. And the premium seats are up 58% year-on-year to 33,000 of our total 1,64,000 seats. The Gold centers are up almost 38% year-on-year, 21 to 29, and seats are up 36% from 14,800 to 20,100. Elite centers are up 100% from 5 to 10 and seats are up 111% from 6,200 to 13,000.

There is about a fifth of our total supply built in a very short span, and 100% of our new supply is in Grade A and A+ portfolios in high-demand micromarkets. Nearly 60% of the new supply we signed in FY '26 was with institutional landlords, a significant step up in our partnership in India's marquee developers. These assets are natural home for Gold and Elite, which see disproportionate traction for enterprise and GCC clients.

Enterprise and GCCs are choosing us for the address and the design and the service layer, and they are paying for it. Incremental seats at these centers are being signed at around 35% higher pricing than our flagship product. The premium cohort also brings larger clients, longer tenures, and more allied services spend per seat. That is the better mix of clients and revenue, not just a higher price.

The full financial benefit is still ahead of us. The chunk of premium centers are in the ramp-up phase. Once they mature, higher realizations, stronger pricing power, longer lock-ins, and deeper allied services attachment more than offset that cost. We expect to add another 2,500 to 33,000 seats in the premium portfolio in H2.

Rahul Kundnani: That was fine.

Moderator: Next question is from the line of Ishita Lodha from SVAN Investments. Please go ahead.

Ishita Lodha: What was the portion of ancillary income in H1? And what is the outlook going forward?

Sumit Lakhani: So broadly, about 16% of our space revenue is part of the ancillary income, and we expect it to grow a bit more faster than our space. So over the next 12-odd months, we expect the ancillary revenue to grow at about 25% to 30% plus in that range. So, this is primarily across components of IT services, F&B, center promotions and mobility products including day passes, virtual offices, and meeting rooms.

Ishita Lodha: And what is the average seat density for a Gold and Premium center?

Sumit Lakhani: Sorry, what is the average?

Ishita Lodha: Seat density?

Sumit Lakhani: Seat density?

Ishita Lodha: As in per square feet.

Sumit Lakhani: So, primarily, on an overall portfolio basis, we are looking at 50 square feet as a billable seat. In terms of Gold and Elite, our seat densities range from about 58 to 65 square feet on billable seat basis.

Moderator: Next question is from the line of Ayushi from Sai Capital. Please go ahead.

Ayushi: So my question is, what is the status of the roughly 3,000 seats vacated by the Enterprise client in May? Any update on that?

Sumit Lakhani: So, I think we had some visibility around on the exit a bit prior. So, our teams had been marketing this capacity during the notice period. We are today as of now almost about 57% to 58% of the total capacity is already sold/committed where we are expecting that by December almost 55% to 60-odd percent will be filled in with the revenues starting for us. Remaining, the pipeline is strong for the remaining seats.

Moderator: Thank you. That was the last question for today. I now hand the conference over to the management for closing comments.

Sumit Lakhani: Thank you everyone for joining us today. The first half has delivered what we set out in August, growth in the premium portfolio, higher occupancy, and longer lock-ins. And cash EBITDA tracking to our full year range. Should you have any further questions or require clarifications, please reach out to SGA, our Investor Relations Advisors. Thank you once again, and a very Happy Diwali to you and your families.

Moderator: Thank you. On behalf of Awfis Space Solutions Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.